United Nations A/61/852/Add.16

General Assembly

Distr.: General
18 May 2007

Original: English

Sixty-first session
Agenda items 132 and 144 (b)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the period from 1 July 2007 to 30 June 2008 of the United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$94,252,900
Expenditure for 2005/06	$91,264,200
Unencumbered balance for 2005/06	$2,988,700
Appropriation for 2006/07	$496,615,500
Preliminary status of expenditures for 2006/07	$502,240,000[a]
Projected unencumbered balance for 2006/07	($5,625,000)[a]
Proposal submitted by the Secretary-General for 2007/08	$713,586,800
Recommendation of the Advisory Committee for 2007/08	$713,586,800

[a] Estimate as at 17 May 2007 (see annex I).

07-34993 (E) 230507

I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends acceptance of the Secretary-General's proposal for the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2007 to 30 June 2008.**

2. The Advisory Committee's general report on the administrative and budgetary aspects of United Nations peacekeeping operations contains its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNIFIL.

3. The documents used by the Advisory Committee in its consideration of the financing of UNIFIL are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. The General Assembly, in its resolution 59/307, appropriated to the Special Account for UNIFIL the amount of $94,252,900 gross ($89,537,200 net) for the maintenance of the Force for the period from 1 July 2005 to 30 June 2006. The total amount has been assessed on Member States. Expenditures for the period totalled $91,264,200 gross ($87,185,700 net), which is $2,988,700 or 3.2 per cent, lower than the apportionment of $94,252,900 gross (see A/61/829, summary).

5. The unutilized balance of $2,988,700 is the net effect of savings and additional requirements under various line items. Savings were mainly attributable to a higher vacancy rate for international and national staff, as compared to the incumbency rates used in the budget preparation, and to lower requirements under operational costs owing to reductions in the acquisition of generators, vehicles and spare parts. Overexpenditures under military personnel relate primarily to the unforeseen and unbudgeted repatriation of one engineering unit.

6. The comments of the Advisory Committee on individual objects of expenditure can be found in the discussion of the proposed budget for the period from 1 July 2007 to 30 June 2008 in the paragraphs below.

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, has requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the General Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $15,038,400, as well a portion of the unencumbered balance amounting to $273,800 for UNIFIL for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 31 March 2007, a total of $4,039,600,000 had been assessed on Member States with respect to UNIFIL since its inception. Payments received as at the same date amounted to $3,898,100,000,

leaving an outstanding balance of $141,600,000. As at 14 May 2007, the cash position of the Force was $216,700,000. Even after keeping a three-month's operating cash reserve of $74,900,000, the remaining balance of $141,800,000 was sufficient to allow further reimbursements to troop-contributing countries in May 2007.

9. The Advisory Committee was also informed that troop cost reimbursement had been made up through February 2007 and that the remaining balance owed for troop costs as at 31 March 2007 was $15.8 million. With regard to contingent-owned equipment, the Committee was informed that as at 30 April 2007, reimbursement had been made up through December 2006 for troop-contributing countries deployed prior to the expansion of the Force and that the remaining balance owed for contingent-owned equipment as at 30 April 2007 was $63,400,000. As at 30 April 2007, $20,500,000 had been paid for 459 claims for death and disability compensation since the inception of the mission; unliquidated obligations amounted to $530,000 and one claim remained outstanding.

10. The Advisory Committee was informed that, as at 30 April 2007, the incumbency of UNIFIL for the period from 1 July 2006 to 30 June 2007 was as follows:

Category	*Posts authorized*[a]	*Posts planned*	*Posts encumbered*	*Number of vacant posts*	*Vacancy rate (percentage)*
Military contingents	15 000	13 210	13 260	1 740	11.6
International staff	406	263	249	157	38.7
National staff	696	584	418	278	39.9

[a] Represents the highest authorized strength.

11. The Advisory Committee was provided with the preliminary status of expenditures as at 17 May 2007 for the period from 1 July 2006 to 30 June 2007 (see annex I). For the current period, expenditures amounted to $375,700,000 gross ($372,500,000 net) against an apportionment of $496,600,000 gross ($492,000,000 net), as at 17 May 2007. Total expenditure for the period is estimated at $502,200,000 gross ($497,500,000 net), including projected expenditures of $126,500,000 for the period 18 May to 30 June 2007. These estimates would involve an overexpenditure of $5,600,000 at the end of the financial period. The latest available information on projected expenditure for the current financial period should be provided to the General Assembly.

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

12. The mandate of UNIFIL was established by the Security Council in its resolutions 425 (1978) and 426 (1978). In its resolution 1701 (2006), the Security Council decided, in order to supplement and enhance the Force in numbers, equipment, mandate and scope of operations, to authorize an increase in the force

strength of UNIFIL to a maximum of 15,000 troops. By the same resolution, the Council extended the mandate of the Force until 31 August 2007 and decided that, in addition to the mandate under its resolutions 425 (1978) and 426 (1978), it would include monitoring the cessation of hostilities, accompanying and supporting the deployment of the Lebanese Armed Forces (LAF), as they deployed throughout southern Lebanon, and assisting the Government of Lebanon in securing its borders and other entry points.

B. Resource requirements

1. Military personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
Military contingents	15 000	15 000	—

13. The proposed budget for the period 2007/08 for military personnel amounts to $375,536,200 gross, an increase of $116,570,700, or 45.0 per cent, compared to the apportionment of $258,965,500 gross for the period 2006/07. The increased requirements reflect the full deployment of 14,382 military contingent personnel for the period 2007/08 as compared with the phased deployment of troops during the period 2006/07. The cost estimates provide for standard reimbursement for troop costs and contingent-owned equipment, deployment, rotation and repatriation travel, recreational leave and daily allowances, rations and freight costs. Given that 13,260 military contingent personnel were deployed as at 30 April 2007 (see para. 10 above), the full deployment of 14,382 personnel planned by 1 July 2007 would mean adding 1,122 personnel during the period from May to June 2007. Upon enquiry, the Committee was informed that the planned deployment of 14,382 military personnel may not be complete by 1 July 2007. If so, this is likely to lead to underexpenditure for military contingents. This underexpenditure may well be offset, however, by additional expenditure later in the period 2007/08, as the number of troops may exceed the current planned deployment of 14,382 personnel to the authorized strength of 15,000. **In view of the explanation given, the Advisory Committee is not recommending any cost reduction under military contingents.**

14. As indicated in paragraph 33 of the budget submission (A/61/870 and Corr.1), the cost estimates also include a provision for daily subsistence allowance for 29 staff officers deployed in the Strategic Military Cell at Headquarters. In the course of its consideration of the proposed budget for UNIFIL for the period 2007/08, the Committee received the report of the Secretary-General on the comprehensive review of the Strategic Military Cell (A/61/883) submitted in response to General Assembly resolution 61/250 B of 2 April 2007. **Given its earlier view that the cost of providing backstopping requirements at Headquarters should not be charged, even temporarily, to the budgets of peacekeeping operations (see A/61/616, para. 13), the Committee is of the opinion that, in the future, costs related to the Strategic Military Cell should be charged to the support account.**

2. Civilian personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
International staff	406	408	2
National staff[a]	696	869	173

[a] Including national officers and national General Service personnel.

General comments

15. The proposed budget for civilian personnel for the period 2007/08 amounts to $107,479,100, reflecting an increase of $71,183,600, or 196.1 per cent. The increased requirements are related primarily to the application of a 10 per cent delayed recruitment factor for both international and national staff as compared to higher factors used in the preparation of the budget for the period 2006/07 (34 per cent for international staff and 30 per cent for national staff). The increase also reflects the conversion of 173 general temporary assistance positions for interpreters to established posts.

Recommendation on posts

16. A summary of the staffing changes proposed for UNIFIL for the period 2007/08 is attached as annex II, including a number of redeployments and reclassifications. A description of the changes is also provided in the Secretary-General's report under the various components (A/61/870 and Corr.1). The Committee notes that, under executive direction and management, a reduction of 11 positions in the Regional Oversight Office is a result of the transfer of those positions to the support account for peacekeeping operations for the period 2007/08.

17. The proposed staffing establishment provides for a net increase of two international posts (one P-4 for a Police Advisor and one P-5 for a Deputy Chief in the Office of the Chief of Integrated Support Services) and the conversion of 173 general temporary assistance positions for interpreters to established posts. **The Advisory Committee has no objection to the establishment of the two posts or to the proposed 173 conversions.**

3. Operational costs

(United States dollars)

Apportioned 2006/07	*Proposed 2007/08*	*Variance*
201 354 500	230 571 500	29 217 000

18. The estimated operational requirements for the period 2007/08 represent an increase of $29,217,000, or 14.5 per cent, in comparison with the apportionment for the period 2006/07. Major factors contributing to the variance include an increase in requirements for naval transportation owing to the increase in the naval fleet from 16 to 18 vessels; increased requirements for facilities and infrastructure owing to the refurbishment of the Force's headquarters; higher costs under air operations, attributable mainly to the deployment of two additional helicopters; and additional requirements related to the full deployment of the military contingents. The increased requirements are partially offset by reductions under ground

transportation, information and communications technology equipment, owing to the completion of major procurement efforts during the period 2006/07.

19. With regard to naval operations, the Committee was provided with an explanation for the increased requirements for the vessels. It was informed that the two additional vessels had already been deployed in the mission area as a national support element during the current budget period and that for the 2007/08 budget period it is proposed that they be included in the budget estimates.

General temporary assistance

20. The estimated requirements of $1,940,700, a reduction of $943,100, mainly reflect the proposed conversion of 173 positions to established posts (national General Service). Upon enquiry, the Advisory Committee was informed that the proposed estimates would provide for four positions (one D-2, one D-1 and two General Service/other level) in the Strategic Military Cell at Headquarters at an estimated cost of $884,800 (see also para. 17 above) and for 7 positions (one P-5, two P-4s, one P-2, one Field Service, one national professional officer and one national General Service) on the Conduct and Discipline Team, at an estimated cost of $1,055,900.

Consultants

21. Upon enquiry, the Advisory Committee was informed that the estimated requirements of $461,400 included the following: (a) $113,400 for travel, daily subsistence allowance and fees for three work-months for two geographical information system consultants; and (b) $348,000, reflecting a delayed recruitment factor of 30 per cent, for the travel, daily subsistence allowance and fees of three Police Advisors for the full period on customs and border issues. **The Committee is of the view that since consultants are not staff, the application of a delayed recruitment factor to estimating the cost of consultants is inconsistent with established budgetary practice, whereby such costs are usually based on work-months.**

Official travel (training and non-training)

22. As indicated in the budget submission, the increase of $56,000 in travel requirements is due primarily to training-related travel for newly recruited staff that will require training in substantive and technical areas. **The Committee trusts that as the number of newly recruited staff diminishes, the requirements of the Force for training-related travel will also show a reduction. Moreover, the Committee recommends that, so far as practical, participants in training courses be given the task of sharing their acquired knowledge with other UNIFIL personnel.**

Quick-impact projects

23. A provision of $500,000 for quick-impact projects reflects an increase of $288,600, or 136.5 per cent, in comparison with the apportionment for the period 2006/07. As indicated in the budget submission, the additional requirements relate to the implementation of the projects to address urgent needs for rehabilitation of essential public infrastructure and services in Southern Lebanon. Upon enquiry, the Committee was informed that the majority of the projects funded by UNIFIL had been executed by local communities and municipalities as implementing entities; UNIFIL implemented a few projects for which specialized engineering expertise had

been requested. **The Committee recognizes the usefulness and cost-effectiveness of quick-impact projects. Further, the Committee is of the opinion that an analysis of results achieved through such projects should be provided in the context of future budgets.**

V. Conclusion

24. The actions to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2005 to 30 June 2006 are indicated in paragraph 18 of the performance report (A/61/829). **The Advisory Committee recommends that the unencumbered balance of $2,988,700 as well as other income and adjustments in the amount of $15,038,400 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

25. The actions to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2007 to 30 June 2008 are indicated in paragraph 50 of the proposed budget (A/61/870 and Corr.1). **The Advisory Committee recommends that, should the Security Council decide to continue the mandate of the Force beyond 31 August 2007, the General Assembly appropriate an amount of $713,586,800 (gross) for UNIFIL for the twelve-month period from 1 July 2007 to 30 June 2008.**

Documentation

- Performance report on the budget of the United Nations Interim Force in Lebanon for the period from 1 July 2005 to 30 June 2006 (A/61/829)
- Budget for the United Nations Interim Force in Lebanon for the period from 1 July 2007 to 30 June 2008 (A/61/870 and Corr.1)
- Report of the Secretary-General on the comprehensive review of the Strategic Military Cell (A/61/883)
- Report of the Secretary-General on the financing of the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 31 March 2007 (A/61/588)
- Report of the Secretary-General on the implementation of Security Council resolution 1701 (2006) (S/2007/147)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 30 June 2007 (A/61/803)
- General Assembly resolutions 59/307, 60/278 and 61/250 A and B on the financing of the United Nations Interim Force in Lebanon
- General Assembly resolution 61/264 on liabilities and proposed funding for after-service health insurance benefits
- Security Council resolutions 1614 (2005), 1655 (2006) and 1701 (2006)

Annex I

Current and projected expenditures of the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 30 June 2007

	1 July 2006 to 17 May 2007			*Projected 18 May to 30 June 2007*				
	Apportionment	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2007*	*Variance percentage*	
	(1)	*(2)*	*(3) = (1) - (2)*	*(4)*	*(5) = (2) + (4)*	*(6) = (1) - (5)*	*(7) = (6) ÷ (1)*	*Reasons for variance*
Military and police personnel								
Military observers	—	—	—	—	—	—	—	
Military contingents	258 966	222 142	36 824	27 700	249 842	9 124	3.5	Lower costs for freight of contingent-owned equipment and emplacement
United Nations police	—	—	—	—	—	—	—	
Formed police units	—	—	—	—	—	—	—	
Subtotal	**258 966**	**222 142**	**36 824**	**27 700**	**249 842**	**9 124**	**3.5**	
Civilian personnel								
International staff	21 418	23 120	(1 702)	5 072	28 192	(6 774)	(31.6)	Faster pace of recruitment
National staff	14 878	13 268	1 609	3 294	16 562	(1 684)	(11.3)	Faster pace of recruitment
United Nations Volunteers	—	—	—	—	—	—	—	
Subtotal	**36 296**	**36 388**	**(93)**	**8 366**	**44 754**	**(8 459)**	**(23.3)**	
Operational costs								
General temporary assistance	2 884	3 101	(217)	315	3 416	(532)	(18.5)	Faster pace of recruitment
Government-provided personnel	—	—	—	—	—	—	—	
Civilian electoral observers	—	—	—	—	—	—	—	

	1 July 2006 to 17 May 2007			Projected 18 May to 30 June 2007				
	Apportionment	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2007*	*Variance percentage*	
	(1)	*(2)*	*(3) = (1) - (2)*	*(4)*	*(5) = (2) + (4)*	*(6) = (1) - (5)*	*(7) = (6) ÷ (1)*	*Reasons for variance*
Consultants	227	—	227	60	60	167	73.6	Delayed recruitment of 3 police consultants
Official travel	703	638	65	65	703	(0)	(0.0)	
Facilities and infrastructure	76 388	63 806	12 582	16 830	80 636	(4 248)	(5.6)	Implementation as planned
Ground transportation	16 750	10 722	6 029	6 028	16 750	0	0.0	
Air transportation	5 140	4 135	1 005	1 926	6 061	(921)	(17.9)	Implementation as planned
Naval transportation	53 134	1 982	51 152	51 152	53 134	(0)	(0.0)	
Communications	20 710	13 945	6 765	6 765	20 710	(0)	(0.0)	
Information technology	7 680	4 966	2 714	2 714	7 680	0	0.0	
Medical	5 019	3 963	1 056	3 097	7 060	(2 041)	(40.7)	Immediate requirement to procure supplies in the preparation for the avian flu
Special equipment	3 719	3 549	170	39	3 588	131	3.5	Delay in the mine detection and clearing project
Other supplies, services and equipment	8 790	5 897	2 893	1 449	7 346	1 444	16.4	Lower than expected requirements under claims, freight and miscellaneous other equipment
Quick-impact projects	211	500	(289)	—	500	(289)	(136.5)	
Subtotal	**201 355**	**117 201**	**84 153**	**90 443**	**207 644**	**(6 289)**	**(3.1)**	
Gross requirements	**496 616**	**375 732**	**120 884**	**126 508**	**502 240**	**(5 625)**	**(1.1)**	
Staff assessment income	4 583	3 255	—	—	4 698	(115)	(2.5)	
Net requirements	**492 033**	**372 477**	**120 884**	**126 508**	**497 542**	**(5 509)**	**(1.1)**	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	**496 616**	**375 732**	**120 884**	**126 508**	**502 240**	**(5 625)**	**(1)**	

Annex II

Summary of proposed changes in staffing for United Nations Interim Force in Lebanon for the period from 1 July 2007 to 30 June 2008

Office/Section/Unit	*Number*	*Level*	*Description*
Executive direction and management			
Regional Oversight Office	-1	P-5	Chief
	-3	P-4	2 Auditors and 1 Investigator
	-3	P-3	2 Auditors and 1 Investigator
	-2	GS (OL)	2 Audit Assistants
	-2	NGS	2 Administrative Assistants
Total	**-11**		
Operations			
Beirut Office	+1	P-4	Police Adviser
Support			
Office of the Chief of Integrated Support Services	+1	P-5	Deputy Chief
Contracts Management Section	-1	P-5	Chief Contracts Management Officer
General Services Section	-1	P-4	Chief, Contingent-Owned Equipment Unit
	-1	P-3	Chief, Property Control and Inventory Unit
	-2	P-3	Contingent-Owned Equipment Officers
	-7	FS	Property Control, Inventory and COE Assistants
	-3	GS (OL)	Property Control, Inventory Assistants
	-12	NGS	Assistants

Office/Section/Unit	*Number*	*Level*	*Description*
Property Management Section	+1	P-5	Section Chief
	+1	P-4	Chief, Contingent-Owned Equipment Unit
	+1	P-3	Chief, Property Control and Inventory Unit
	+2	P-3	Contingent-Owned Equipment Officers
	+7	FS	Property Control, Inventory and COE Assistants
	+3	GS (OL)	Property Control, Inventory Assistants
	+12	NGS	Assistants
Engineering Section	-2	P-4	Sector Engineers
	+2	P-3	Sector Engineers
Sector Administrative Offices	+173	NGS	Interpreters
Total	**+174**		

Note: P = Professional; FS = Field Service; GS = General Service; OL = other level; NGS = national General Service; COE = contingent-owned equipment.